

**MUKILTEO SCHOOL DISTRICT No. 6**  
**Snohomish County, Washington**  
**September 1, 1993 Through August 31, 1994**

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**Schedule Of Findings**

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1. District Officials Should Take Action To Ensure That Associated Student Body (ASB) Fiscal Procedures Are Being Followed At The Various School Sites

Our review of cash handling procedures in the district's ASB Fund revealed instances in which individual schools were not following district policies.

During the 1993-94 school year, Mukilteo School District operated three high schools, four middle schools, ten elementary schools and a skills center. Our review of ASB cash handling procedures included visits to one high school, one middle school, two elementary schools and the skills center. These visits revealed the following departures from acceptable cash handling controls and official district policies.

- a. Beverage and snack machines: Procedures have not been implemented to determine that the revenues received from vendor operated machines reconcile to the number of items sold.
- b. Student stores:
  - (1) Reconciliations: Procedures have not been implemented at all schools to reconcile sales to purchases and inventory stock on hand.
  - (2) Inventory: At one of the high schools, physical inventories were performed at the student store, however, follow-up on discrepancies between computer system balances and actual stock on hand was not adequately documented.
  - (3) Voids: At one of the high schools, students were allowed to enter voids on the student store cash register without a documented explanation. In addition, there was inadequate documentation evidencing the store manager's review and follow-up.
- c. Personal checks: Two of the schools permitted personal checks to be cashed out of ASB receipts.
- d. Reconciliations: ASB receipts, disbursements and individual activity balances were not being reconciled to the district's central accounting system on a regular basis at all schools.
- e. Central treasurer: Revenues coming in from ASB activities were not immediately counted and receipted by the central treasurer in all cases. In addition, receipts from these activities were not being counted in the presence of two people.
- f. Fundraisers: The district has established procedures relating to fundraisers which

require reconciliation of items sold to receipts and ending inventory. Fundraiser reconciliations are to be submitted to the central treasurer at the end of the event. These procedures were not being followed at all schools.

- g. Change fund: At one school, checks were not being restrictively endorsed immediately upon receipt. In addition, access to that fund and the vault was not limited to authorized personnel.
- h. Dance admissions: One of the middle schools did not have procedures in place to reconcile dance admissions to the money collected. Prenumbered tickets afford an opportunity to reconcile ticket sales to cash receipts. At one of the high schools, no such reconciliation was being performed for dances.
- i. Imprest account: The custodian of the imprest account at one of the high schools was not reconciling the account to the bank on a monthly basis.

These weaknesses increase the risk that errors or irregularities could occur without being detected in a timely manner.

Although procedures for ASB fund operations have been prescribed by the district's fiscal office, it appears that these procedures have not been completely implemented at the individual schools.

We recommend that district officials establish procedures including regular audits at the various school sites to ensure that ASB fiscal procedures are being followed throughout the district.